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Robert Moser, MD, Secretary

Sam Brownback, Governor

PROCUREMENT NEGOTIATING COMMITTEE ENDORSEMENT
Maximus / PSI CONTRACT #11821, AMENDMENT 14

As a member of the Procurement Negotiation Committee (PNC) I acknowledge the necessity for and objectives of contract Amendment Fourteen and endorse the amendment as written.

Darin Bodenhamer
Kansas Department of Health and Environment
Division of Health Care Finance
(Secretary of KDHE Appointee)

10/15/2013
Date

Teresa Graber
Kansas Department of Health and Environment
Division of Health Care Finance
(Secretary of KDHE Appointee)

10/15/2013
Date

Tami Sherley
Division of Purchases
(Secretary of Administration Appointee)

11/20/2013
Date

**FOURTEENTH AMENDMENT
to the
CLEARINGHOUSE CONTRACT
between
THE KANSAS DEPARTMENT OF HEALTH AND ENVIRONMENT
and
POLICY STUDIES INC.
Final Contract Extension and Increase in Authorized Staffing**

The above referenced agreement was entered into by and between the Kansas Health Policy Authority (hereinafter "KHPA") and Policy Studies Inc. (hereinafter "PSI" or "CONTRACTOR") beginning June 1, 2009 (as amended, the "Contract"). Effective July 1, 2011 the KHPA was transferred to the Department of Health and Environment, hereinafter referred to as ("KDHE"), as The Division of Health Care Finance, hereinafter referred to as ("DHCF"), in accordance with Executive Reorganization Order No. 38, hereinafter referred to as "ERO No. 38," by Governor Sam Brownback on February 4, 2011.

The Parties hereto agree to amend the contract as follows:

I. Term of Agreement:

The term of this contract is hereby extended for the final of three (3) optional one (1) year renewal periods beginning July 1, 2014 through June 30, 2015.

II. State Fiscal Year 2015 Base Contract Cost Reductions and Pricing:

The changes in cost of the base contract for the staffing levels for SFY15 are as follows, with numbers appearing parentheses ("()") reflecting a cost decrease:

Area of Estimated Cost Savings	SFY15
Email (cost)	\$ 11,976.00
Website	\$ (14,000.00)
SRS access to PSI platform	\$ (11,000.00)
Staffing	\$ (1,297,485.00)
Total Base Contract Pricing Reductions	\$ (1,310,509.00)

Base Contract Pricing for SFY15 is as follows:

Contract Year	Contract Price	Reductions from Amendment 14	Base Contract Pricing for SFY15
Year Six (SFY15)	\$ 9,840,755.00	(\$1,310,509.00)	\$ 8,530,246.00

III. Increase in Authorized Staffing:

October 2013 introduces significant changes to the eligibility determination criteria and Federal partner interoperability requirements for the Medicaid/SCHIP applicants falling within the Modified Adjusted Gross Income ("MAGI") population groups. Kansas must be in compliance with the new criteria. To support the new mandates and the implementation of the new Kansas Enforcement Eligibility System ("KEES"), an additional 58 staff are needed at the Clearinghouse starting September 15, 2013 through June 30, 2015.

IV. Proposed Staffing Additions, Levels, Costs and Credits:**A. Staffing Levels and Costs:**

With this amendment, PSI is authorized to add up to 58 additional staff, of various staffing levels (see Price Schedule A which includes the new Data Entry Specialist Job Description) at the costs and staffing levels outlined in Price Schedule A:

Proposed Staffing Rates and Counts (September 15, 2013 – June 30, 2015)

Price Schedule A Additional Staffing Needs					
Functional Area	# of Add Staff	SFY 2014		SFY 2015	
		Hourly Rate	Hourly OT Rate	Hourly Rate	Hourly OT Rate
Eligibility Counselor					
Eligibility & Case Maintenance - English	10	\$28.43	\$35.53	\$29.28	\$36.60
Registration-English	4	\$28.43	\$35.53	\$29.28	\$36.60
Eligibility Counselor - Bilingual					
Eligibility & Case Maintenance - Spanish	5	\$29.35	\$36.69	\$30.23	\$37.79
Registration - Spanish	2	\$29.35	\$36.69	\$30.23	\$37.79
Mailroom/Imaging Specialist					
Mail Room	2	\$21.96	\$27.45	\$22.62	\$28.28
File Room/Records/Data Entry Specialist					
Data Entry	13	\$25.39	\$31.74	\$26.15	\$32.69
Call Center Representative					
Call Center – English	10	\$24.19	\$30.24	\$24.92	\$31.15
Call Center Representative - Bilingual					
Call Center – Spanish	7	\$25.99	\$32.49	\$26.77	\$33.46
Supervisor					
Supervisor - Eligibility & Data Entry	2	\$40.32	N/A	\$41.53	N/A
Supervisor - Call Center	1	\$40.32	N/A	\$41.53	N/A
QA Coordinator/Trainer	1	\$39.94	\$49.93	\$41.14	\$51.43
HR Generalist					
HR Generalist	1	\$56.51	N/A	\$58.21	N/A
Total	58				

B. Positions Filled by October 1, 2013; Reporting; Credit for Unfilled Positions:

It is expected PSI will work in good faith to fill and train new positions so new staff will be in place and ready for the October 1, 2013 KEES launch date. PSI will continue to send KDHE quarterly staffing update reports to enable KDHE to monitor and observe staffing changes as required under the base contract and staffing amendments. Each invoice will contain a staffing update report and will include names, positions and start dates along with total positions filled. PSI will only begin billing for additional staff under this amendment when the position is filled.

Under this Amendment 14, PSI agrees to manage to a contract base of 179 positions. This does not include 12 Eligibility Counselors added and managed under the terms of Amendment 10 or key positions that are managed under the terms of the Contract. The breakdown of the positions are listed below in Table B. PSI agrees to prospectively credit KDHE for any previously filled production positions that remain vacant for 60 days or more. Beginning with day 61, the credit will be at the full rate for the time the position remains unfilled based on the hourly rates listed in Price Schedule A.

Table B. Amendment 14 Additions and Total Contract Staff		
Positions	Net Additional Staff to Add Under Amend 14	Total Staff
Mailroom/Imaging Specialist	2	8
File Room/Records/Data Entry Specialist	13	13
Eligibility Counselor - Registration	6	17
Eligibility Counselor (includes voicemail)	10	64
Eligibility Counselor - Case Maintenance	5	16
Call Center Representative	17	35
Total Prod Staff (calculated from modeling)	53	153
HP Manager	0	0
HP Supervisor	0	1
MAXIMUS Managers	0	4
MAXIMUS Supervisors (Eligibility, Call Center, Data Entry)	3	8
MAXIMUS QA Coordinator/Training (analyst to training)	2	6
MAXIMUS Admin/Analysts (analyst to training)	-1	5
MAXIMUS IT PC Support	0	1
HR Support (full-time on site)	1	1
Total Management/Support Staff	5	26
Totals	58	179

C. Overtime Rates and Approval:

KDHE/DHCF understands that throughout the KEES conversion process into full implementation of the system, and the implementation of the new eligibility determination criteria there may be an occasional need for staff overtime to complete contracted services. In the event it becomes necessary for PSI to accommodate temporary, additional workloads and increased volume, PSI must submit to KDHE/DHCF a written request for overtime approval. This written request to authorize staff overtime must be submitted no later than a week in advance of the probable scheduled dates. Should KDHE/DHCF deem the request necessary and approve the overtime, PSI will bill the hourly OT rates listed in Price Schedule A above.

D. Upfront Costs and Equipment:

KDHE/DHCF recognizes all new PSI staff members hired under the terms of this amendment will need to be equipped with workstations and supplies to fulfill the services required under this contract. Therefore, PSI is authorized to bill KDHE/DHCF for one time and annual charges as outlined in the tables below. At expiration of this agreement KDHE/DHCF retains ownership of any computer equipment and accessories purchased under this agreement.

Per FTE Added Costs Contracted Rate	Per FTE Staff Rate	FTE Count	Total for Staff	Per FTE Management Rate	FTE Count	Total for Management	Equipment Grand Total Payable on Execution of Amd. 14
PCs	\$1,439	53	\$76,281	\$1,846	5	\$9,231	\$85,513
Phones	\$305	53	\$16,151	\$305	5	\$1,524	\$17,675
Headsets	\$47	53	\$2,482	\$0	0	\$0	\$2,482
Phone Device Licenses	\$172	53	\$9,099	\$172	5	\$858	\$9,958
Voice Mail	\$86	53	\$4,555	\$86	5	\$430	\$4,985
Software Licenses	\$1,250	53	\$66,228	\$1,250	5	\$6,248	\$72,476
Equipment Price	\$3,298	53	174,796	\$3,658	5	\$18,291	\$193,087

Per FTE Added Costs Contracted Rate	Per FTE	FTE	SFY 2014	SFY 2015	Total
Supplies	\$240	58	11,600	\$13,920	25,520
Supplies Price	\$240	58	11,600	\$13,920	\$25,520

Infrastructure Added Costs	Upfront Costs Payable on Execution of Amd. 14	SFY 2014	SFY 2016	Total
Line Charges	\$0	\$53,576	\$67,675	\$121,251
Network Switch	\$7,845	\$1,178	\$1,448	\$10,471
Cisco Licenses	\$23,156	\$3,825	\$4,705	\$31,685
ACD Port	\$18,566	\$4,126	\$5,075	\$27,766
Telephony Implementation Labor	\$7,601	\$0	\$0	\$7,601
Calabrio Licenses	\$45,945	\$5,654	\$6,784	\$58,353
Furniture	\$110,879	\$0	\$0	\$110,879
Security System	\$7,736	\$0	\$0	\$7,736
Rent	\$0	\$47,291	\$57,931	\$105,222
Cable Drops	\$22,942	\$0	\$0	\$22,942
Total Price	\$244,639	\$115,649	\$143,618	\$503,906

E. Summary of Amendment 14 Costs:

The total cost for Amendment 14 shall not exceed \$15,382,980.00 and shall be broken down by state fiscal year based on the following table:

Total Costs of Amendment 14					
State Fiscal Year	Upfront Costs for Equipment and Initial Infrastructure Payable on Execution of Amd. 14	Supplies and Annual Infrastructure Added Cost	Am 14 Staffing Increase	SFY15 Base Contract	TOTAL
SFY 2014	\$ 437,726.00	\$ 127,249	\$2,665,185.00	\$ -	\$ 3,230,160.00
SFY 2015	\$ -	\$ 157,538	\$3,465,036.00	\$ 8,530,246.00	\$ 12,152,820.00
TOTALS	\$ 437,726	\$ 284,787	\$6,130,221.00	\$ 8,530,246.00	\$ 15,382,980.00

V. Payment:

For the "Upfront Costs for Equipment and Initial Infrastructure," PSI will invoice KDHE for \$437,726.00 (as shown in the table in Section IV.E. above) within 30 days after the execution of this Amendment 14.

For each additional position the CONTRACTOR will bill these costs as separate line items on the monthly invoice, referring to this Amendment 14, providing supporting documents for the billed amount and using the Contract approved cost allocation. Billing for each position will be made on the first monthly invoice following the start date for that position. The CONTRACTOR will submit with the invoice a listing of the additional staff including date of hire.

For ongoing operational and equipment charges the CONTRACTOR will bill this cost as a separate line item on the monthly invoice, per the Supplies and Annual Infrastructure Cost quoted in Section IV.E above, providing supporting documents for the billed amount and using the Contract approved cost allocation. On each invoice, the CONTRACTOR will use separate line items for one time equipment costs and ongoing operations costs.

All invoices described in this Section V will be paid in accordance with the payment terms set forth in the Contract.

Performance Guarantees:

The parties understand and agree that during the KEES implementation and the KAECSSES replacement period, there may be an increase in call volume, call time length, number of applications, application processing time, and/or related Services that the CONTRACTOR will provide. During CONTRACTOR'S support of the transition from KAECSSES to KEES, CONTRACTOR'S liability will be limited to damages caused by CONTRACTOR'S performance of such support activities under this Agreement. The performance standards as set forth in RFP #11821 Section 4.4.D, as amended, will be suspended during this time period beginning on the first date on which KEES replaces the State's current eligibility system (known as KAECSSES) for the purposes of making Medicaid eligibility determinations, and continuing for a period of 90 days thereafter (the "Suspension Period"). During the last 30 days of the Suspension Period, KDHE and PSI will jointly review the liquidated damages and the Performance Standards and Expectations provided in Section 4.4.D. and Section 4.10.2 of RFP #11821, as amended. Unless the parties enter into a written amendment mutually agreeing to modify the Performance Standards and Expectations or the liquidated damages provisions of the Contract, the parties

acknowledge that the Performance Standards and Expectations will again be enforceable in full on the day after the end of the Suspension Period.

VI. Other:

All remaining terms and conditions of the above-referenced Contract (including any attachments and amendments thereto, and documents incorporated therein) shall remain in force and effect and binding on the parties hereto.

IN WITNESS WHEREOF, PSI, and KDHE, hereto affix their signatures to this 14th Amendment. This Amendment 14 shall be effective upon signature of all parties.

POLICY STUDIES INC.

**KANSAS DEPARTMENT OF
HEALTH AND ENVIRONMENT**

Charles K. Sweeney II Oct. 7, 2013
Charles K. Sweeney II Date
Vice President & Assistant General Counsel
Policy Studies Inc.

Robert Moser 11/13/13
Robert Moser, M.D. Date
Secretary

**Kansas Department of Administration
Division of Purchases**

TS Tracy Diel 11/21/2013
Tracy Diel Date
Director

The following is referenced for convenience only and is not a part of this amendment or intended to be incorporated in this contract by reference.

Related Advanced Planning Document: 42

Related Policy Number/Name: 42 CFR Part 433 [CMS-2346-P], RIN 0938-AQ53 /

Medicaid: Federal Funding for Medicaid Eligibility Determination and Enrollment Activities

Related Request for Proposal Reference(s): State of Kansas Bid Event ID Number:

EVT0000186

—Kansas Medical Eligibility Determination (K-MED) Software with Associated Integration Services &

Ongoing Operational Support